



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 10, 2016

S. 2383
**Utah Test and Training Range Encroachment Prevention
and Temporary Closure Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on July 13, 2016*

S. 2383 would require the Bureau of Land Management (BLM) to exchange 98,000 acres of federal lands in Utah for at least 84,000 acres of land and mineral estate administered by Utah's School and Institutional Trust Lands Administration (SITLA). The bill also would impose certain requirements on how BLM would manage 700,000 acres of federal lands near a military training range operated by the U.S. Air Force.

Because S. 2383 could affect direct spending, pay-as-you-go procedures apply. However, CBO estimates that any net change in direct spending would not be significant over the 2017-2026 period. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 2383 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

The bill would require BLM to convey 98,000 acres of federal land in western Utah to SITLA in exchange for at least 84,000 acres of state lands. CBO expects that the value of the federal lands would equal or exceed the value of the state lands. If the value of the state lands is less than the value of the federal lands, the state would be required to convey additional lands in order to equalize values of the exchange. The federal lands that would be conveyed to SITLA are not located near mineral resources that are expected to generate receipts for the federal government under current law. Conveying those lands would reduce offsetting receipts from grazing on the affected lands and could reduce receipts from the development of geothermal resources; however, CBO estimates that the amount of lost receipts would not be significant and could be partially offset by proceeds from grazing on the state lands that BLM would acquire in the exchange.

S. 2383 also would prohibit mineral development on 700,000 acres of federal land located adjacent to the Utah Test and Training Range and could limit BLM's ability to grant new use permits or rights-of-way on those lands. Limiting those activities in the future could reduce offsetting receipts over the next 10 years; however, based on information from BLM, CBO estimates that any loss of receipts would be negligible.

S. 2383 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit the State of Utah and local governments through a land exchange. The land exchange could increase revenue from resource development on state trust lands that is used to fund public schools in Utah. Any costs incurred by the State of Utah or local governments associated with the land exchange or with agreements with federal agencies would result from voluntary commitments.

S. 2383 would impose a private-sector mandate, as defined in UMRA, by eliminating an individual's existing right to seek compensation from the federal government for damages occurring in the course of any authorized nondefense-related activity conducted on BLM land. Under current law private entities may seek compensation from the United States in a federal court for damages committed by persons acting on behalf of the United States. The cost of the mandate would be the net forgone value of awards and settlements in such claims. Information from the Department of the Interior indicates that few, if any, of those types of claims related to activities on BLM land are brought against the United States. Because such claims would probably continue to be uncommon, CBO estimates that the cost of the mandate would be small and thus would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2016, adjusted annually for inflation).

On May 16, 2016, CBO transmitted a cost estimate for H.R. 4579, the Utah Test and Training Range Encroachment Prevention and Temporary Closure Act, as ordered reported by the House Committee on Natural Resources on March 16, 2016. H.R. 4579 contains provisions that are similar to S. 2383, and CBO's estimate of the costs for those provisions are the same.

The CBO staff contacts for this estimate are Jeff LaFave (for federal costs), Jon Sperl (for intergovernmental mandates), and Paige Piper-Bach (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.